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Executive Registry

601-3269

6 May 1964

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Report on Economy Measures Within CIA for
the Period Ending 31 March 1964

1. The following report highlights economy measures taken within CIA during the first quarter of 1964. The management actions and economy measures are not finite and, in some cases, cannot be measured in real savings at this time. These steps, however, are commendable and represent substantive efficiencies.

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3. Agency-Wide Economy Measures.

a. Clerical recruitment levels were re-examined and revised quarterly accession rates were computed and approved. A planned total accession [redacted] clericals during FY 1965 reflects a reduction of 50% in the number recruited during FY 1963, at an anticipated savings [redacted] in recruitment and initial orientation and training costs. In addition, the implementation of a policy whereby clerical applicants are not brought on duty until they receive full clearance wherever possible should result in an additional anticipated savings [redacted]

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b. The review of printing workload and the application of more austere and stringent criteria to Directorate printing requirements levied upon the Printing Services Division (especially by the DD/I) has resulted in the elimination of a need for additional people and increase in funds.

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c. All Directorates have taken action to curtail travel wherever possible and to restrict first-class travel except where absolutely essential. A regulation to this effect is now being coordinated. A better indication of the amounts saved as a result of the implementation of this policy may be available at the conclusion of the next quarter.

d. There has been about a 5% reduction in telephone service throughout the Agency and a consequent savings annually. The goal is a 25% reduction.

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e. Individual Directorates were enjoined to reduce overtime costs with a goal of 25%. Indications are that an 18% reduction during the past quarter, as compared to the same quarter last year, may have been achieved, reflecting a savings of about

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f. All Directorates were asked to review subscriptions to newspapers and periodicals and their procurement of books and publications with a view towards reducing these to the absolute minimum. They were further cautioned to assure that, in the future, orders for non-governmental publications are subjected to severe scrutiny prior to approval. Figures are not yet available on savings resulting from this action.

g. Action Memoranda were issued to allocate reduced Directorate ceiling levels applicable to "non-permanent" employee categories, i.e. part-time, temporary and Foreign Nationals. This action was necessary to achieve Bureau of the Budget authorized end-year strength level by 30 June 1964. We are now over strength in this category, although

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we have reduced [] since the 31st of December 1963. There are infinite problems of definition, counting and reporting of these categories of employees which we are trying to work out.

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h. Each Deputy Director has been advised that all proposed actions being submitted for the approval of the DDCI or the Executive Director-Comptroller which have any financial or manpower implications are to be reviewed first by the Director of Budget, Program Analysis and Manpower. This is assuring maximum attention to standards of economy and essentiality for each proposed program or project submitted. In the long run, substantial savings should accrue to the Agency as a result of this procedure.

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4. The Intelligence Directorate, in addition to their contribution to the reduction in printing workloads, has undertaken the following economy measures:



b. A thorough survey of the National Photographic Interpretation Center manpower requirements was conducted. This resulted in a reduction [] in the total staffing requirements submitted for that activity in the FY 1964 and 1965 budgets.

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c. Additional savings resulting from such actions as reductions in the length of contributions to the NIS, streamlining of various aspects of cartographic support provided, a simplification of record-keeping systems in the Map Library, the reduction of the quantity of material stored in the Record Center, the review of dissemination lists and the curtailment of official travel, etc., have been realized. At the moment, much of the savings are immeasurable in precise terms; however, they will contribute to the ability of the Intelligence Directorate to absorb additional work without commensurate increases in manpower allocations.

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c. The promulgation of revised standards for the issuance of executive furnishings and the approval of building alterations with an anticipated savings [redacted] a year. 25X1

d. A comprehensive examination of each guard post in the Headquarters area resulted in the closing of some Headquarters building entrances and the elimination of certain guard posts at an anticipated savings [redacted] a year. 25X1

e. A reduction of [redacted] recruiters between now and the end of 1965 is planned. This will result in an annual savings [redacted] a year resulting from the cutback in over-all Agency recruitment requirements. 25X1

7. The Science and Technology Directorate being a new organization has accomplished lesser savings. New position requirements exist at the Directorate level, in the Office of Research and Development, and in the Foreign Missile and Space Analysis Center. Some absorption through reductions in the allocated strength of the Office of Scientific Intelligence, the Office of ELINT and the Office of Computer Services have been possible. The growing manpower requirements of the Office of Special Activities have been reviewed in detail and partially met by assigning some of the requested increase of personnel. In general, the Science and Technology area has demands for manpower and money which far exceed their ability to absorb. New funds and personnel ceiling must be found elsewhere in the Agency to accommodate approved expansions.

8. A report on the economy actions they had taken by 31 March was the subject of a separate meeting with each Deputy Director. No adverse impact upon operations was reported resulting from economy measures. Likewise, the Financial Policy and Budget Committee has been kept advised of actions under way and have offered no alternatives to the present approach. There are still more economies to be found, but they will come slowly. On the other hand, the economy consciousness of supervisory personnel at headquarters and in the field is responsive.

9. The Agency essentially has passed phase one of the economy program and we are now entering into phase two with its tougher problem of elimination of marginal activity. The Agency has very little marginal

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activity in the strict sense, and the focus becomes a matter of selection between relative priorities weighed against Agency performance. Decisions to stop or curtail certain programs will require constant pressure from the Directorate level. Programs such as the CODIB is recommending should go far to control paper flow; automated systems of costing, now being planned and implemented by BPAM, should help define possible economy gaps and improve program planning and directions; personnel recruitment, training, and placement should be able to be tightened; separation and disposition of marginal personnel can be forced by coupling our policy for strict ceiling controls with performance evaluations of supervisors. However, all these efforts must be coordinated with program reviews against which the hard decisions of phase two can be made. We anticipate strengthening the budget review process and working with the Financial Policy and Budget Committee and the Deputy Directors to issue those directives required to assist them in making further economies and eliminating marginal activities and personnel.

10. Finally, our Manpower Control staff has made a significant contribution to the economy drive by providing a weekly analysis of the personnel requirements of all components wishing to enter new personnel on duty. The undersigned personally must approve the entrance on duty of any person joining a component which is at its ceiling or over. The Manpower Control staff is constantly reviewing the strength allotments of all units in order to realign positions to meet new requirements. Working with the Program Analysis staff, it is providing a real and continual challenge to all components to justify their usage of manpower and the ~~validation~~ of their requirements.

(signed) Lyman B. Kirkpatrick

Lyman B. Kirkpatrick
Executive Director-Comptroller

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